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	SECURITY INFORMATION CENTRAL INTELLIGENCE AGENCY	
	INFORMATION REPO	
COUNTRY	Lebanon/Hungary	DATE DISTR. 6 DEC 51
SUBJECT	Scrap Metal Trade	NO. OF PAGES 3
** 10F	25X1A RETURN TO CIA	th pushoon
PLACE ACQUIRED	BRARY	NO. OF ENCLS. (LISTED BELOW)
DATE OF INFO.	25X1	X SUPPLEMENT TO REPORT NO.
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		account, per many
1.	in the spring of 1950 when the Satellite countries intensified their efforts to obtain scrap metals from the Middle East contracts were signed between Metalimpex of Budapest, Hungary, and several Beirut firms, among which the most important were those of Ilyas Shahin,	
	Raymond Mantura and Joseph Ashkuti, and 'Abdu	were those of liyas Shanin, llah Tamari, 1
2.0	At the beginning of June 1951 in an effort to coordinate this traffic and at the same time to increase it, Metalimpex arranged for two of their representatives.	
	Anna Hegedus and Lajos Molnar - to travel fro they had discussions with the three firms men	om Cairo, Egypt, to Beirut where
	of these talks Hegedus and Molnar returned to	o Cairo on 30 June 1951.2
3.₀	In the meantime, since Metalimpex was prepared to pay high prices for scrap metal, competition in the Lebanese scrap trade became very severe and certain firms fell by the wayside, among them 'Abdullah Tamari. From being one of the favored few who could carry on direct negotiations with Metalimpex, 'Abdullah Tamari	
	became of little interest to the Hungarians, to produce the large quantities of scrap that	probably because of his failure the had promised.
4.	The property of the same of th	kuti decided that he could
	make more money on his own, and broke his par only to find that he had miscalculated the st The result has been that he, like 'Abdullah '	rength of his chief competitors.
	the lesser lights in the scrap trade between	Lobanon and Hungary.
5.	As of mid-October 1951, the two dominant firm and Raymond Mantura, both of whom are under o	contract to supply scrap metal
	to Metalimpex. Associating himself more and more with Mantura is Ibrahim Diyab, and there is a distinct possibility that the two men have already secretly	
	entered into partnership with each other.	
Q.®.	Although other firms such as ARPA of Beirut have written direct to Metalimpex, there is no evidence that they have in fact supplied scrap metal to Humgary. 5 On the contrary, all the evidence points to the fact that Shahin and	
	Mantura have a virtual monopoly over this tra to Hungary is channelled through them.	ne ract that Shahin and de, and that all scrap shipped
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- 7. Since Shahine and Mantura are fully occupied arranging the shipments of scrap metal from Beirut, they delegate the actual collecting of the scrap to various commission agents, among whom the most important is a Karnig Nalbandian, an Armenian living in Beirut. Nalbandian supplies Shahin and Mantura with 75 to 85 percent of the scrap which they export, while the remainder is supplied by other commission agents such as Marco Parianti, David Srour, and Ghargur (fnu).
- 8. Nalbandian, although in touch with scrap metal collectors and dealers all over the Middle East, has so far kept very much behind the scenes and on no occasion yet has his name figured in any scrap deals.
- S. The scrap that these dealers and collectors supply to Nalbandian is mainly iron or copper. The iron consists largely of bars, pipes and motor car components, while a certain amount has come from several locomotives which were broken up. The greater part of the copper scrap comes from kitchen utensils. Most Arab families use copper pots and pans and, as good prices are being offered for these, the Arabs are only too glad to sell them and to buy in their place aluminum or tin ones. Electrolytic copper wire, from former American army dumps in the Middle East, is another commodity that finds its way to the Satellite countries as scrap copper.
- 10. Once the scrap has been collected in the neighboring countries, it is addressed to Beirut Free Zone, whence it is shipped to the Satellite countries. In order to facilitate its transit through the port, use is made of Suhayl Jamal, a Lebanese who has good contacts among the port authorities. Jamal is employed solely to control the movement of the scrap through the port and to ensure by frequent bribes that no officials delay or hinder its passage.
- The competition that exists between the two main scrap firms of Shahin and Mantura is so strong that both firms resort to the use of sharp practices within the dock area in an effort to cutwit the other. Mantura frequently pays bribes to Baltaji, the chief pilot of Beirut port, for prior information on the quay to which a ship calling at Beirut for scrap metal will be directed. On receipt of his information Mantura then ensures that his scrap is transported to that particular quay so that he will be quite certain of shipping the quantity of scrap that he has collected. As a result of this kind of action, Shahin often finds that the ship has room for only a part of his scrap. On other occasions Mantura, who generally succeeds in cutwitting Shahin, has been known to bribe the winchmen to load his scrap before that of his
- 12. In his eagerness to load his scrap and thereby to receive payment for it,
 Mantura, on one occasion when a certain ship was passing Beirut but not calling
 at the port, arranged for lighters to carry the scrap to the ship, some miles
 out to sea. So far as is known, this is the only time that such action has
 been taken.
- 13. Informant states the following are the prices in U.S. dollars per metric ton f.o.b. Beirut paid by Metalimpex to Mantura and Shahin:

Scrap iron \$45 Scrap lead \$500 Scrap brass \$900 Scrap copper \$1,250

The contract held by both firms for scrap copper expires in February 1952 when the price according to informant, will drop to \$1,175 per metric ton.

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In this connection Shahin and Mantura pay the scrap dealers 4,000 Lebanese pounds (approximately \$1,100) per metric ton of scrap copper, and since these deals are generally arranged by Malbandian, he takes one percent as commission.



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